



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

October 30, 2015

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

Today I signed HB 2001, enacted by the Fifty-Second Legislature in its First Special Session, which authorizes a permanent infusion of dollars into our education funding system.

Over a 10-year period, and upon voter approval of HCR 2001, HB 2001 will provide nearly \$3.5 billion for education. This represents \$2.9 billion in basic state aid and \$625 million in additional appropriated funds that schools can spend according to their needs.

I thank the members of the Arizona Legislature and the education community for their commitment to resolve the years-long inflation funding lawsuit. With this bill, educators will finally have the resources they have been asking for, and our students will have greater opportunities to succeed.

Sincerely,
A handwritten signature in black ink, appearing to read "Doug A. Ducey", written over the word "Sincerely,".

Douglas A. Ducey
Governor
State of Arizona

cc: The Honorable David Gowan
The Honorable Andy Biggs

House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Special Session
2015

CHAPTER 1

HOUSE BILL 2001

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; AMENDING LAWS 2015,
CHAPTER 8, SECTION 34; APPROPRIATING MONIES; RELATING TO EDUCATION FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-901, Arizona Revised Statutes, is amended to
3 read:

4 15-901. Definitions

5 A. In this title, unless the context otherwise requires:

6 1. "Average daily membership" means the total enrollment of fractional
7 students and full-time students, minus withdrawals, of each school day
8 through the first one hundred days or two hundred days in session, as
9 applicable, for the current year. Withdrawals include students formally
10 withdrawn from schools and students absent for ten consecutive school days,
11 except for excused absences identified by the department of education. For
12 the purposes of this section, school districts and charter schools shall
13 report student absence data to the department of education at least once
14 every sixty days in session. For computation purposes, the effective date of
15 withdrawal shall be retroactive to the last day of actual attendance of the
16 student or excused absence.

17 (a) "Fractional student" means:

18 (i) For common schools, a preschool child who is enrolled in a program
19 for preschool children with disabilities of at least three hundred sixty
20 minutes each week that meets at least two hundred sixteen hours over the
21 minimum number of days or a kindergarten student who is at least five years
22 of age before January 1 of the school year and enrolled in a school
23 kindergarten program that meets at least three hundred fifty-six hours for a
24 one hundred eighty day school year, or the instructional hours prescribed in
25 this section. Lunch periods and recess periods may not be included as part
26 of the instructional hours unless the child's individualized education
27 program requires instruction during those periods and the specific reasons
28 for such instruction are fully documented. In computing the average daily
29 membership, preschool children with disabilities and kindergarten students
30 shall be counted as one-half of a full-time student. For common schools, a
31 part-time student is a student enrolled for less than the total time for a
32 full-time student as defined in this section. A part-time common school
33 student shall be counted as one-fourth, one-half or three-fourths of a
34 full-time student if the student is enrolled in an instructional program that
35 is at least one-fourth, one-half or three-fourths of the time a full-time
36 student is enrolled as defined in subdivision (b) of this paragraph.

37 (ii) For high schools, a part-time student who is enrolled in less
38 than four subjects that count toward graduation as defined by the state board
39 of education, each of which, if taught each school day for the minimum number
40 of days required in a school year, would meet a minimum of one hundred
41 twenty-three hours a year, or the equivalent, in a recognized high school.
42 The average daily membership of a part-time high school student shall be 0.75
43 if the student is enrolled in an instructional program of three subjects that
44 meet at least five hundred forty hours for a one hundred eighty day school
45 year, or the instructional hours prescribed in this section. The average

1 daily membership of a part-time high school student shall be 0.5 if the
2 student is enrolled in an instructional program of two subjects that meet at
3 least three hundred sixty hours for a one hundred eighty day school year, or
4 the instructional hours prescribed in this section. The average daily
5 membership of a part-time high school student shall be 0.25 if the student is
6 enrolled in an instructional program of one subject that meets at least one
7 hundred eighty hours for a one hundred eighty day school year, or the
8 instructional hours prescribed in this section.

9 (b) "Full-time student" means:

10 (i) For common schools, a student who is at least six years of age
11 before January 1 of a school year, who has not graduated from the highest
12 grade taught in the school district and who is regularly enrolled in a course
13 of study required by the state board of education. First, second and third
14 grade students or ungraded group B children with disabilities who are at
15 least five, but under six, years of age by September 1 must be enrolled in an
16 instructional program that meets for a total of at least seven hundred twelve
17 hours for a one hundred eighty day school year, or the instructional hours
18 prescribed in this section. Fourth, fifth and sixth grade students must be
19 enrolled in an instructional program that meets for a total of at least eight
20 hundred ninety hours for a one hundred eighty day school year, or the
21 instructional hours prescribed in this section. Seventh and eighth grade
22 students must be enrolled in an instructional program that meets for at least
23 one thousand hours. Lunch periods and recess periods may not be included as
24 part of the instructional hours unless the student is a child with a
25 disability and the child's individualized education program requires
26 instruction during those periods and the specific reasons for such
27 instruction are fully documented.

28 (ii) For high schools, a student not graduated from the highest grade
29 taught in the school district and enrolled in at least an instructional
30 program of four or more subjects that count toward graduation as defined by
31 the state board of education, each of which, if taught each school day for
32 the minimum number of days required in a school year, would meet a minimum of
33 one hundred twenty-three hours a year, or the equivalent, that meets for a
34 total of at least seven hundred twenty hours for a one hundred eighty day
35 school year, or the instructional hours prescribed in this section in a
36 recognized high school. A full-time student shall not be counted more than
37 once for computation of average daily membership. The average daily
38 membership of a full-time high school student shall be 1.0 if the student is
39 enrolled in at least four subjects that meet at least seven hundred twenty
40 hours for a one hundred eighty day school year, or the equivalent
41 instructional hours prescribed in this section.

42 (iii) If a child who has not reached five years of age before
43 September 1 of the current school year is admitted to kindergarten and
44 repeats kindergarten in the following school year, a school district or
45 charter school is not eligible to receive basic state aid on behalf of that

1 child during the child's second year of kindergarten. If a child who has not
2 reached five years of age before September 1 of the current school year is
3 admitted to kindergarten but does not remain enrolled, a school district or
4 charter school may receive a portion of basic state aid on behalf of that
5 child in the subsequent year. A school district or charter school may charge
6 tuition for any child who is ineligible for basic state aid pursuant to this
7 item.

8 (iv) Except as otherwise provided by law, for a full-time high school
9 student who is concurrently enrolled in two school districts or two charter
10 schools, the average daily membership shall not exceed 1.0.

11 (v) Except as otherwise provided by law, for any student who is
12 concurrently enrolled in a school district and a charter school, the average
13 daily membership shall be apportioned between the school district and the
14 charter school and shall not exceed 1.0. The apportionment shall be based on
15 the percentage of total time that the student is enrolled in or in attendance
16 at the school district and the charter school.

17 (vi) Except as otherwise provided by law, for any student who is
18 concurrently enrolled, pursuant to section 15-808, in a school district and
19 Arizona online instruction or a charter school and Arizona online
20 instruction, the average daily membership shall be apportioned between the
21 school district and Arizona online instruction or the charter school and
22 Arizona online instruction and shall not exceed 1.0. The apportionment shall
23 be based on the percentage of total time that the student is enrolled in or
24 in attendance at the school district and Arizona online instruction or the
25 charter school and Arizona online instruction.

26 (vii) For homebound or hospitalized, a student receiving at least four
27 hours of instruction per week.

28 2. "Budget year" means the fiscal year for which the school district
29 is budgeting and that immediately follows the current year.

30 3. "Common school district" means a political subdivision of this
31 state offering instruction to students in programs for preschool children
32 with disabilities and kindergarten programs and either:

33 (a) Grades one through eight.

34 (b) Grades one through nine pursuant to section 15-447.01.

35 4. "Current year" means the fiscal year in which a school district is
36 operating.

37 5. "Daily attendance" means:

38 (a) For common schools, days in which a pupil:

39 (i) Of a kindergarten program or ungraded, but not group B children
40 with disabilities, and at least five, but under six, years of age by
41 September 1 attends at least three-quarters of the instructional time
42 scheduled for the day. If the total instruction time scheduled for the year
43 is at least three hundred fifty-six hours but is less than seven hundred
44 twelve hours, such attendance shall be counted as one-half day of attendance.
45 If the instructional time scheduled for the year is at least six hundred

1 ninety-two hours, "daily attendance" means days in which a pupil attends at
2 least one-half of the instructional time scheduled for the day. Such
3 attendance shall be counted as one-half day of attendance.

4 (ii) Of the first, second or third grades attends more than
5 three-quarters of the instructional time scheduled for the day.

6 (iii) Of the fourth, fifth or sixth grades attends more than
7 three-quarters of the instructional time scheduled for the day, except as
8 provided in section 15-797.

9 (iv) Of the seventh or eighth grades attends more than three-quarters
10 of the instructional time scheduled for the day, except as provided in
11 section 15-797.

12 (b) For common schools, the attendance of a pupil at three-quarters or
13 less of the instructional time scheduled for the day shall be counted as
14 follows, except as provided in section 15-797 and except that attendance for
15 a fractional student shall not exceed the pupil's fractional membership:

16 (i) If attendance for all pupils in the school is based on quarter
17 days, the attendance of a pupil shall be counted as one-fourth of a day's
18 attendance for each one-fourth of full-time instructional time attended.

19 (ii) If attendance for all pupils in the school is based on half days,
20 the attendance of at least three-quarters of the instructional time scheduled
21 for the day shall be counted as a full day's attendance and attendance at a
22 minimum of one-half but less than three-quarters of the instructional time
23 scheduled for the day equals one-half day of attendance.

24 (c) For common schools, the attendance of a preschool child with
25 disabilities shall be counted as one-fourth day's attendance for each
26 thirty-six minutes of attendance not including lunch periods and recess
27 periods, except as provided in paragraph 1, subdivision (a), item (i) of this
28 subsection for children with disabilities up to a maximum of three hundred
29 sixty minutes each week.

30 (d) For high schools, the attendance of a pupil shall not be counted
31 as a full day unless the pupil is actually and physically in attendance and
32 enrolled in and carrying four subjects, each of which, if taught each school
33 day for the minimum number of days required in a school year, would meet a
34 minimum of one hundred twenty-three hours a year, or the equivalent, that
35 count toward graduation in a recognized high school except as provided in
36 section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil
37 carrying less than the load prescribed shall be prorated.

38 (e) For high schools, the attendance of a pupil may be counted as
39 one-fourth of a day's attendance for each sixty minutes of instructional time
40 in a subject that counts toward graduation, except that attendance for a
41 pupil shall not exceed the pupil's full or fractional membership.

42 (f) For homebound or hospitalized, a full day of attendance may be
43 counted for each day during a week in which the student receives at least
44 four hours of instruction.

1 (g) For school districts that maintain school for an approved
2 year-round school year operation, attendance shall be based on a computation,
3 as prescribed by the superintendent of public instruction, of the one hundred
4 eighty days' equivalency or two hundred days' equivalency, as applicable, of
5 instructional time as approved by the superintendent of public instruction
6 during which each pupil is enrolled.

7 6. "Daily route mileage" means the sum of:

8 (a) The total number of miles driven daily by all buses of a school
9 district while transporting eligible students from their residence to the
10 school of attendance and from the school of attendance to their residence on
11 scheduled routes approved by the superintendent of public instruction.

12 (b) The total number of miles driven daily on routes approved by the
13 superintendent of public instruction for which a private party, a political
14 subdivision or a common or a contract carrier is reimbursed for bringing an
15 eligible student from the place of his residence to a school transportation
16 pickup point or to the school of attendance and from the school
17 transportation scheduled return point or from the school of attendance to his
18 residence. Daily route mileage includes the total number of miles necessary
19 to drive to transport eligible students from and to their residence as
20 provided in this paragraph.

21 7. "District support level" means the base support level plus the
22 transportation support level.

23 8. "Eligible students" means:

24 (a) Students who are transported by or for a school district and who
25 qualify as full-time students or fractional students, except students for
26 whom transportation is paid by another school district or a county school
27 superintendent, and:

28 (i) For common school students, whose place of actual residence within
29 the school district is more than one mile from the school facility of
30 attendance or students who are admitted pursuant to section 15-816.01 and who
31 meet the economic eligibility requirements established under the national
32 school lunch and child nutrition acts (42 United States Code sections 1751
33 through 1785) for free or reduced price lunches and whose actual place of
34 residence outside the school district boundaries is more than one mile from
35 the school facility of attendance.

36 (ii) For high school students, whose place of actual residence within
37 the school district is more than one and one-half miles from the school
38 facility of attendance or students who are admitted pursuant to section
39 15-816.01 and who meet the economic eligibility requirements established
40 under the national school lunch and child nutrition acts (42 United States
41 Code sections 1751 through 1785) for free or reduced price lunches and whose
42 actual place of residence outside the school district boundaries is more than
43 one and one-half miles from the school facility of attendance.

1 (b) Kindergarten students, for purposes of computing the number of
2 eligible students under subdivision (a), item (i) of this paragraph, shall be
3 counted as full-time students, notwithstanding any other provision of law.

4 (c) Children with disabilities, as defined by section 15-761, who are
5 transported by or for the school district or who are admitted pursuant to
6 chapter 8, article 1.1 of this title and who qualify as full-time students or
7 fractional students regardless of location or residence within the school
8 district or children with disabilities whose transportation is required by
9 the pupil's individualized education program.

10 (d) Students whose residence is outside the school district and who
11 are transported within the school district on the same basis as students who
12 reside in the school district.

13 9. "Enrolled" or "enrollment" means when a pupil is currently
14 registered in the school district.

15 10. "GDP price deflator" means the average of the four implicit price
16 deflators for the gross domestic product reported by the United States
17 department of commerce for the four quarters of the calendar year.

18 11. "High school district" means a political subdivision of this state
19 offering instruction to students for grades nine through twelve or that
20 portion of the budget of a common school district that is allocated to
21 teaching high school subjects with permission of the state board of
22 education.

23 12. "Revenue control limit" means the base revenue control limit plus
24 the transportation revenue control limit.

25 13. "Student count" means:

26 (a) Through June 30, 2016, average daily membership as prescribed in
27 this subsection for the fiscal year before the current year, except that for
28 the purpose of budget preparation student count means average daily
29 membership as prescribed in this subsection for the current year.

30 (b) Beginning July 1, 2016, average daily membership as prescribed in
31 this subsection for the current year.

32 14. "Submit electronically" means submitted in a format and in a manner
33 prescribed by the department of education.

34 15. "Total bus mileage" means the total number of miles driven by all
35 buses of a school district during the school year.

36 16. "Total students transported" means all eligible students
37 transported from their place of residence to a school transportation pickup
38 point or to the school of attendance and from the school of attendance or
39 from the school transportation scheduled return point to their place of
40 residence.

41 17. "Unified school district" means a political subdivision of the
42 state offering instruction to students in programs for preschool children
43 with disabilities and kindergarten programs and grades one through twelve.

1 B. In this title, unless the context otherwise requires:

2 1. "Base" means the revenue level per student count specified by the
3 legislature.

4 2. "Base level" means the following amounts plus the percentage
5 increases to the base level as provided in sections 15-902.04, ~~15-918.04,~~
6 ~~15-919.04~~ and 15-952, except that if a school district or charter school is
7 eligible for an increase in the base level as provided in two or more of
8 these sections, the base level amount shall be calculated by compounding
9 rather than adding the sum of one plus the percentage of the increase from
10 those different sections:

11 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
12 dollars eighty-eight cents.

13 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
14 dollars forty-two cents.

15 (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
16 three thousand two hundred sixty-seven dollars seventy-two cents.

17 (d) For fiscal year 2013-2014, three thousand three hundred twenty-six
18 dollars fifty-four cents.

19 (e) For fiscal year 2014-2015, three thousand three hundred
20 seventy-three dollars eleven cents.

21 (f) For fiscal year 2015-2016, ~~three thousand four hundred twenty-six~~
22 ~~dollars seventy-four cents~~ THREE THOUSAND SIX HUNDRED DOLLARS ZERO CENTS.

23 3. "Base revenue control limit" means the base revenue control limit
24 computed as provided in section 15-944.

25 4. "Base support level" means the base support level as provided in
26 section 15-943.

27 5. "Certified teacher" means a person who is certified as a teacher
28 pursuant to the rules adopted by the state board of education, who renders
29 direct and personal services to school children in the form of instruction
30 related to the school district's educational course of study and who is paid
31 from the maintenance and operation section of the budget.

32 6. "DD" means programs for children with developmental delays who are
33 at least three years of age but under ten years of age. A preschool child
34 who is categorized under this paragraph is not eligible to receive funding
35 pursuant to section 15-943, paragraph 2, subdivision (b).

36 7. "ED, MIID, SLD, SLI and OHI" means programs for children with
37 emotional disabilities, mild intellectual disabilities, a specific learning
38 disability, a speech/language impairment and other health impairments. A
39 preschool child who is categorized as SLI under this paragraph is not
40 eligible to receive funding pursuant to section 15-943, paragraph 2,
41 subdivision (b).

42 8. "ED-P" means programs for children with emotional disabilities who
43 are enrolled in private special education programs as prescribed in section
44 15-765, subsection D, paragraph 1 or in an intensive school district program
45 as provided in section 15-765, subsection D, paragraph 2.

1 9. "ELL" means English learners who do not speak English or whose
2 native language is not English, who are not currently able to perform
3 ordinary classroom work in English and who are enrolled in an English
4 language education program pursuant to sections 15-751, 15-752 and 15-753.

5 10. "Full-time equivalent certified teacher" or "FTE certified teacher"
6 means for a certified teacher the following:

7 (a) If employed full time as defined in section 15-501, 1.00.

8 (b) If employed less than full time, multiply 1.00 by the percentage
9 of a full school day, or its equivalent, or a full class load, or its
10 equivalent, for which the teacher is employed as determined by the governing
11 board.

12 11. "Group A" means educational programs for career exploration, a
13 specific learning disability, an emotional disability, a mild intellectual
14 disability, remedial education, a speech/language impairment, developmental
15 delay, homebound, bilingual, other health impairments and gifted pupils.

16 12. "Group B" means educational improvements for pupils in kindergarten
17 programs and grades one through three, educational programs for autism, a
18 hearing impairment, a moderate intellectual disability, multiple
19 disabilities, multiple disabilities with severe sensory impairment,
20 orthopedic impairments, preschool severe delay, a severe intellectual
21 disability and emotional disabilities for school age pupils enrolled in
22 private special education programs or in school district programs for
23 children with severe disabilities or visual impairment and English learners
24 enrolled in a program to promote English language proficiency pursuant to
25 section 15-752.

26 13. "HI" means programs for pupils with hearing impairment.

27 14. "Homebound" or "hospitalized" means a pupil who is capable of
28 profiting from academic instruction but is unable to attend school due to
29 illness, disease, accident or other health conditions, who has been examined
30 by a competent medical doctor and who is certified by that doctor as being
31 unable to attend regular classes for a period of not less than three school
32 months or a pupil who is capable of profiting from academic instruction but
33 is unable to attend school regularly due to chronic or acute health problems,
34 who has been examined by a competent medical doctor and who is certified by
35 that doctor as being unable to attend regular classes for intermittent
36 periods of time totaling three school months during a school year. The
37 medical certification shall state the general medical condition, such as
38 illness, disease or chronic health condition, that is the reason that the
39 pupil is unable to attend school. Homebound or hospitalized includes a
40 student who is unable to attend school for a period of less than three months
41 due to a pregnancy if a competent medical doctor, after an examination,
42 certifies that the student is unable to attend regular classes due to risk to
43 the pregnancy or to the student's health.

44 15. "K-3" means kindergarten programs and grades one through three.

- 1 16. "K-3 reading" means reading programs for pupils in kindergarten
2 programs and grades one, two and three.
- 3 17. "MD-R, A-R and SID-R" means resource programs for pupils with
4 multiple disabilities, autism and severe intellectual disability.
- 5 18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils
6 with multiple disabilities, autism and severe intellectual disability.
- 7 19. "MD-SSI" means a program for pupils with multiple disabilities with
8 severe sensory impairment.
- 9 20. "MOID" means programs for pupils with moderate intellectual
10 disability.
- 11 21. "OI-R" means a resource program for pupils with orthopedic
12 impairments.
- 13 22. "OI-SC" means a self-contained program for pupils with orthopedic
14 impairments.
- 15 23. "PSD" means preschool programs for children with disabilities as
16 provided in section 15-771.
- 17 24. "P-SD" means programs for children who meet the definition of
18 preschool severe delay as provided in section 15-771.
- 19 25. "Qualifying tax rate" means the qualifying tax rate specified in
20 section 15-971 applied to the assessed valuation used for primary property
21 taxes.
- 22 26. "Small isolated school district" means a school district that meets
23 all of the following:
- 24 (a) Has a student count of fewer than six hundred in kindergarten
25 programs and grades one through eight or grades nine through twelve.
- 26 (b) Contains no school that is fewer than thirty miles by the most
27 reasonable route from another school, or, if road conditions and terrain make
28 the driving slow or hazardous, fifteen miles from another school that teaches
29 one or more of the same grades and is operated by another school district in
30 this state.
- 31 (c) Is designated as a small isolated school district by the
32 superintendent of public instruction.
- 33 27. "Small school district" means a school district that meets all of
34 the following:
- 35 (a) Has a student count of fewer than six hundred in kindergarten
36 programs and grades one through eight or grades nine through twelve.
- 37 (b) Contains at least one school that is fewer than thirty miles by
38 the most reasonable route from another school that teaches one or more of the
39 same grades and is operated by another school district in this state.
- 40 (c) Is designated as a small school district by the superintendent of
41 public instruction.
- 42 28. "Transportation revenue control limit" means the transportation
43 revenue control limit computed as prescribed in section 15-946.
- 44 29. "Transportation support level" means the support level for pupil
45 transportation operating expenses as provided in section 15-945.

1 30. "VI" means programs for pupils with visual impairments.
 2 31. "Voc. Ed." means career and technical education and vocational
 3 education programs, as defined in section 15-781.

4 Sec. 2. Laws 2015, chapter 8, section 34 is amended to read:

5 Sec. 34. SUPERINTENDENT OF PUBLIC INSTRUCTION

6 2015-16
 7 FTE positions 164.9

8 Operating lump sum appropriation \$ 8,802,100

9 Fund sources:

10 State general fund \$ 8,263,800

11 Teacher certification fund 138,200

12 Department of education empowerment
 13 scholarship account fund 400,100

14 The operating lump sum appropriation includes \$683,900 and 8.5 FTE
 15 positions for average daily membership auditing and \$200,000 and 2 FTE
 16 positions for information technology security services.

17 The appropriation from the department of education empowerment
 18 scholarship account fund includes \$100,000 in funding for one-time
 19 information technology changes.

20 Basic state aid ~~\$2,441,592,500~~ \$2,690,421,900

21 Fund sources:

22 State general fund ~~\$2,394,233,000~~ \$2,470,981,400

23 Permanent state school fund ~~47,359,500~~ 219,440,500

24 The above appropriation provides basic state support to school
 25 districts for maintenance and operations funding as provided by section
 26 15-973, Arizona Revised Statutes, and includes an estimated ~~\$47,359,500~~
 27 \$219,440,500 in expendable income derived from the permanent state school
 28 fund and from state trust lands pursuant to section 37-521, subsection B,
 29 Arizona Revised Statutes, for fiscal year 2015-2016.

30 Receipts derived from the permanent state school fund and any other
 31 nonstate general fund revenue source that is dedicated to fund basic state
 32 aid shall be expended, whenever possible, before expenditure of state general
 33 fund monies.

34 Except as required by section 37-521, Arizona Revised Statutes, all
 35 monies received during the fiscal year from national forests, interest
 36 collected on deferred payments on the purchase of state lands, the income
 37 from the investment of permanent funds as prescribed by the enabling act and
 38 the Constitution of Arizona and all monies received by the superintendent of
 39 public instruction from whatever source, except monies received pursuant to
 40 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 41 state treasury are appropriated for apportionment to the various counties in
 42 accordance with law. An expenditure may not be made except as specifically
 43 authorized above.

~~1 Additional inflation 74,394,000~~

~~The department of education shall allocate the \$74,394,000 amount appropriated through this line item to school districts and charter schools in fiscal year 2015-2016 in the same manner that it would allocate the monies if the monies were for an additional increase of \$54.31 in the base level defined for fiscal year 2015-2016 in section 15-901, subsection B, paragraph 2, Arizona Revised Statutes, and increase budget limits accordingly. The department shall also increase the budget limits of a school district that is not eligible to receive basic state aid funding for fiscal year 2015-2016 by the amount that the district's budget limits would be increased under this line item if the school district was eligible to receive basic state aid funding for fiscal year 2015-2016. The additional inflation amount is not for an increase in the base level as defined in section 15-901, Arizona Revised Statutes.~~

15	K-3 reading	39,917,300
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16 The appropriated amount is for funding costs of the K-3 reading weight
17 established in section 15-943, Arizona Revised Statutes.

18	ADDITIONAL FUNDING	50,000,000
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THE DEPARTMENT OF EDUCATION SHALL ALLOCATE THE APPROPRIATED AMOUNT TO SCHOOL DISTRICTS AND CHARTER SCHOOLS ON A PRO RATA BASIS USING THE WEIGHTED STUDENT COUNT FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL FOR THE FISCAL YEAR PURSUANT TO SECTION 15-943, PARAGRAPH 2, SUBDIVISION (a), ARIZONA REVISED STATUTES, AND INCREASE THE BUDGET LIMITS PURSUANT TO SECTION 15-947, ARIZONA REVISED STATUTES, ACCORDINGLY. FOR THE PURPOSES OF THIS PARAGRAPH, THE WEIGHTED STUDENT COUNT FOR A SCHOOL DISTRICT THAT SERVES AS THE DISTRICT OF ATTENDANCE FOR NONRESIDENT PUPILS SHALL BE INCREASED TO INCLUDE NONRESIDENT PUPILS WHO ATTEND SCHOOL IN THE SCHOOL DISTRICT. A SCHOOL DISTRICT MAY BUDGET THE ALLOCATION THAT THE SCHOOL DISTRICT RECEIVES PURSUANT TO THIS PARAGRAPH IN EITHER THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND OR UNRESTRICTED CAPITAL OUTLAY FUND.

31	Additional state aid -	
32	homeowner's rebate	359,303,700

33	Additional state aid -	
34	1 percent cap	7,380,300

35	Special education fund	32,242,100
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36	Other state aid to districts	983,900
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37	Accountability and achievement	
38	testing	\$ 16,423,600

39 Fund sources:

40	State general fund	\$ 9,423,600
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41	Proposition 301 fund	7,000,000
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42 Before making any changes to the achievement testing program that will
43 increase program costs, the state board of education shall submit the
44 estimated fiscal impact of those changes to the joint legislative budget
45 committee for review.

1	Adult education	4,500,000	
2	Alternative teacher development		
3	program	500,000	
4	Arizona structured English		
5	immersion fund	4,960,400	
6	English learner administration	6,516,800	
7	The department of education shall use the appropriated amount to		
8	provide English language acquisition services for the purposes of section		
9	15-756.07, Arizona Revised Statutes, and for the costs of providing English		
10	language proficiency assessments, scoring and ancillary materials as		
11	prescribed by the department of education to school districts and charter		
12	schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised		
13	Statutes. The department of education may use a portion of the appropriated		
14	amount to hire staff or contract with a third party to carry out the purposes		
15	of section 15-756.07, Arizona Revised Statutes. Notwithstanding section		
16	41-192, Arizona Revised Statutes, the superintendent of public instruction		
17	also may use a portion of the appropriated amount to contract with one or		
18	more private attorneys to provide legal services in connection with the case		
19	of <u>Flores v. State of Arizona</u> , No. CIV 92-596-TUC-RCC.		
20	JTED soft capital and equipment	\$ 1,000,000	
21	The department of education shall distribute the appropriated amount to		
22	joint technical education districts with fewer than two thousand average		
23	daily membership pupils for soft capital and equipment expenses. The		
24	appropriated amount shall be allocated on a pro rata basis based on the		
25	average daily membership of eligible joint technical education districts.		
26	School safety program	3,646,500	
27	State block grant for vocational		
28	education	11,576,300	
29	Teacher certification	\$ 1,842,500	
30	Fund sources:		
31	Teacher certification fund	\$ 1,842,500	
32	Total appropriation - superintendent		
33	of public instruction		
34		<u>\$3,015,582,000</u>	\$3,240,017,400
35	Fund sources:		
36	State general fund	\$2,958,841,700	\$3,011,196,100
37	Proposition 301 fund	7,000,000	
38	Permanent state school fund	47,359,500	219,440,500
39	Teacher certification fund	1,980,700	
40	Department of education empowerment		
41	scholarship account fund	400,100	

1 The department shall provide an updated report on its budget status
2 every three months for the first half of each fiscal year and every month
3 thereafter to the president of the senate, the speaker of the house of
4 representatives, the chairpersons of the senate and house of representatives
5 appropriations committees, the director of the joint legislative budget
6 committee and the director of the governor's office of strategic planning and
7 budgeting. Each report shall include, at a minimum, the department's current
8 funding surplus or shortfall projections for basic state aid and other major
9 formula-based programs and is due thirty days after the end of the applicable
10 reporting period.

11 Within fifteen days after each apportionment of state aid that occurs
12 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
13 department shall post on its website the amount of state aid apportioned to
14 each recipient and the underlying data.

15 Sec. 3. Budget balance carryforward from fiscal year 2015-2016
16 into fiscal year 2016-2017

17 In addition to any budget balance carryforward authorized by section
18 15-943.01, Arizona Revised Statutes, a school district or other entity that
19 receives additional funding or budget capacity in fiscal year 2015-2016 as a
20 result of this act may carry forward any portion of that funding or budget
21 capacity into fiscal year 2016-2017. The amount budgeted as the budget
22 balance carryforward is specifically exempt from the revenue control limit.

23 Sec. 4. Employee compensation increases in fiscal years
24 2015-2016 and 2016-2017

25 A school district or other entity that receives additional funding or
26 budget capacity in fiscal years 2015-2016 and 2016-2017 as a result of this
27 act may use the additional monies for increased employee compensation in
28 fiscal years 2015-2016 and 2016-2017.

29 Sec. 5. School district budget deadlines for fiscal year
30 2015-2016

31 Notwithstanding section 15-905, Arizona Revised Statutes, for fiscal
32 year 2015-2016, any deadline that is currently specified by law as May 15 for
33 the adoption or adjustment of school district budgets shall be extended to
34 June 30.

35 Sec. 6. Appropriations; department of education; additional
36 funding for school districts and charter schools

37 A. The sum of \$50,000,000 is appropriated annually from the state
38 general fund to the department of education in fiscal years 2016-2017 through
39 2019-2020 for additional funding for school districts and charter schools. A
40 school district may budget the monies that it receives pursuant to this
41 subsection in either the school district's maintenance and operation fund or
42 unrestricted capital outlay fund.

43 B. The sum of \$75,000,000 is appropriated annually from the state
44 general fund to the department of education in fiscal years 2020-2021 through
45 2024-2025 for additional funding for school districts and charter schools. A

1 school district may budget the monies that it receives pursuant to this
2 subsection in either the school district's maintenance and operation fund or
3 unrestricted capital outlay fund.

4 C. The department of education shall allocate the appropriated amount
5 in subsections A and B of this section to school districts and charter
6 schools on a pro rata basis using the weighted student count for the school
7 district or charter school for the fiscal year pursuant to section 15-943,
8 paragraph 2, subdivision (a), Arizona Revised Statutes, and increase the
9 budget limits pursuant to section 15-947, Arizona Revised Statutes,
10 accordingly. For the purposes of this subsection, the weighted student count
11 for a school district that serves as the district of attendance for
12 nonresident pupils shall be increased to include nonresident pupils who
13 attend school in the school district.

14 Sec. 7. Intent

15 This act and the terms of House concurrent resolution 2001,
16 fifty-second legislature, first special session, are intended to fully
17 satisfy the requirements of section 15-901.01, Arizona Revised Statutes.

18 Sec. 8. Retroactivity

19 This act applies retroactively to from and after June 30, 2015.

20 Sec. 9. Legislative findings

21 The legislature finds that:

22 1. It is in the best interests of the State of Arizona to finally
23 resolve the litigation in Cave Creek Unified School District, et al. v. Jeff
24 DeWit, et al., Maricopa County Superior Court Case No. CV2010-017113, and all
25 appellate proceedings related thereto.

26 2. None of the parties to the litigation have acted in bad faith, nor
27 concede nor admit legal error, wrongdoing or illegal action in connection
28 with the litigation.

29 3. Including the final judgment in the litigation, this act and the
30 terms of House Concurrent Resolution 2001, fifty-second legislature, first
31 special session, fully and finally resolve, satisfy and conclude all claims,
32 causes of action, findings, rulings and judgments in the litigation.

33 Sec. 10. Conditional enactment

34 This act does not become effective unless the Constitution of Arizona
35 is amended as prescribed in House concurrent resolution 2001, fifty-second
36 legislature, first special session, by vote of the people at the special
37 election conducted on May 17, 2016.

~~PASSED BY THE HOUSE OCTOBER 29, 2015.~~

~~PASSED BY THE SENATE OCTOBER 30, 2015.~~

~~APPROVED BY THE GOVERNOR OCTOBER 30, 2015.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE OCTOBER 30, 2015.~~

Passed the House October 29, 2015

Passed the Senate October 30, 2015

by the following vote: 58 Ayes,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

0 Nays, 1 Not Voting, 1 Vacant

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House ☐ Pro Tempore

[Signature]
Acting Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

30th day of October, 2015

at 12:27 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 30th day of

October

at 1:40 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 30 day of October, 2015

at 2:20 o'clock P. M.

[Signature]
Secretary of State

H.B. 2001
First Special Session